

Kansas Petroleum Storage Tank Release Trust Fund

Reasonable Rate Ranges

Under the Kansas Storage Tank Act, the Kansas Department of Health and Environment (KDHE) has the responsibility to determine “reasonable costs” of corrective action for purposes of reimbursing the owner/operator. Therefore, KDHE has gathered information from previously submitted bids to arrive at a range of reasonable costs for some of the line items contained in Trust Fund bid types.

The primary focus of the reasonable cost concept is to ensure that consultants are not financially motivated to perform more or less work than what is needed to provide the appropriate corrective action for the site. Additionally, KDHE wants to approve bid rates that will ultimately result in the most cost effective rates for the average scope of work.

Another factor is many of the line items of the bid are prorated based on the amount of completed drilling. Vendors who price line items that are subject to proration on the low side are often not providing the best bid for the average scope of work. Reasonable rates should also limit the amount of front loading of costs.

If a bidder’s rate falls outside of the established reasonable rates, an explanation of why KDHE should view the bid rate as reasonable must be included with the bid. This explanation could include bids or quotes from the vendor’s subcontractors indicating the lower or higher than normal cost and why this rate is offered. (These bids or quotes are considered to be confidential and are not available for review by the public.) Additionally, when one or more rates are outside the reasonable ranges, KDHE will compare the site bids at maximum average and minimum levels of effort to insure that the best bid is approved. If adequate explanation is provided for the higher or lower than reasonable rate and excessive front loading is not apparent, the bid may be approved with the submitted rates. If a bid is submitted with rates outside the established reasonable rates without an explanation being included, the bid will be rejected.

KDHE will continue to evaluate the rates for other line items and compare them to other proposed prices to watch for abnormalities in the bids. When these other line items are observed to be outside the expected costs, KDHE will ask the vendor to provide an explanation prior to determining the approved amount. The bids will be approved based upon the current evaluation criteria of the bid document.

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Reasonable Rate Ranges for LSA/MON & MON Bids

*Explanations for rates outside these ranges
are to be submitted with the bid proposals.*

<i>Effective with bids closing June 28, 2002</i>	High Range	Low Range
WORK PLAN	\$2,500.00	\$1,000.00
DRILLING ACTIVITIES		
Drill Rig W/Crew	\$11.00	\$6.00
Project Geologist	\$70.00	\$40.00
Monitoring Wells	\$11.00	\$6.00
Well Completion	\$150.00	\$80.00
ON SITE WASTE		
Handling & Treatment	\$400.00	\$50.00
HYDROLOGIC TESTS		
Project Geologist	\$70.00	\$40.00
Permeameter-Includes Water Content	\$325.00	\$180.00
Slug Out Test	\$94.00	\$47.00
Grain Size Analysis	\$65.00	\$37.00
Dry Bulk Density	\$45.00	\$20.00
Total Organic Carbon	\$110.00	\$60.00
SOIL SAMPLES		
Combination of: BTEX, MtBE, 1,2 DCA, TPH OA1 & OA2, and EDB	\$220.00	\$120.00
WATER SAMPLES		
Combination of: BTEX, MtBE, 1,2 DCA, and Napthalene	\$70.00	\$30.00
EDB	\$100.00	\$60.00
VOC Scan	\$170.00	\$90.00
PRODUCT SAMPLES	\$150.00	\$60.00
SURVEYING		
First 4 Wells - each	\$220.00	\$110.00
Additional wells - each	\$50.00	\$25.00
FINAL REPORT	\$3,000.00	\$1,000.00
MONITORING ACTIVITIES		
Environmental Tech	\$52.00	\$30.00
Per Diem	\$95.00	\$55.00
WATER SAMPLES		
Combination of: BTEX, MtBE, 1,2 DCA, and Napthalene	\$57.00	\$30.00
Product Sample	\$150.00	\$60.00
Monitoring Report	\$390.00	\$200.00
Summary Report (If applicable)	\$200.00	\$75.00